

NATIONAL UPATE

for the

PARTNERSHIP CONFERENCE

Name: Jeri Alles (for Kate Lang)
Deputy Associate Administrator for Airports
Washington D.C.

Date: March 29, 2006

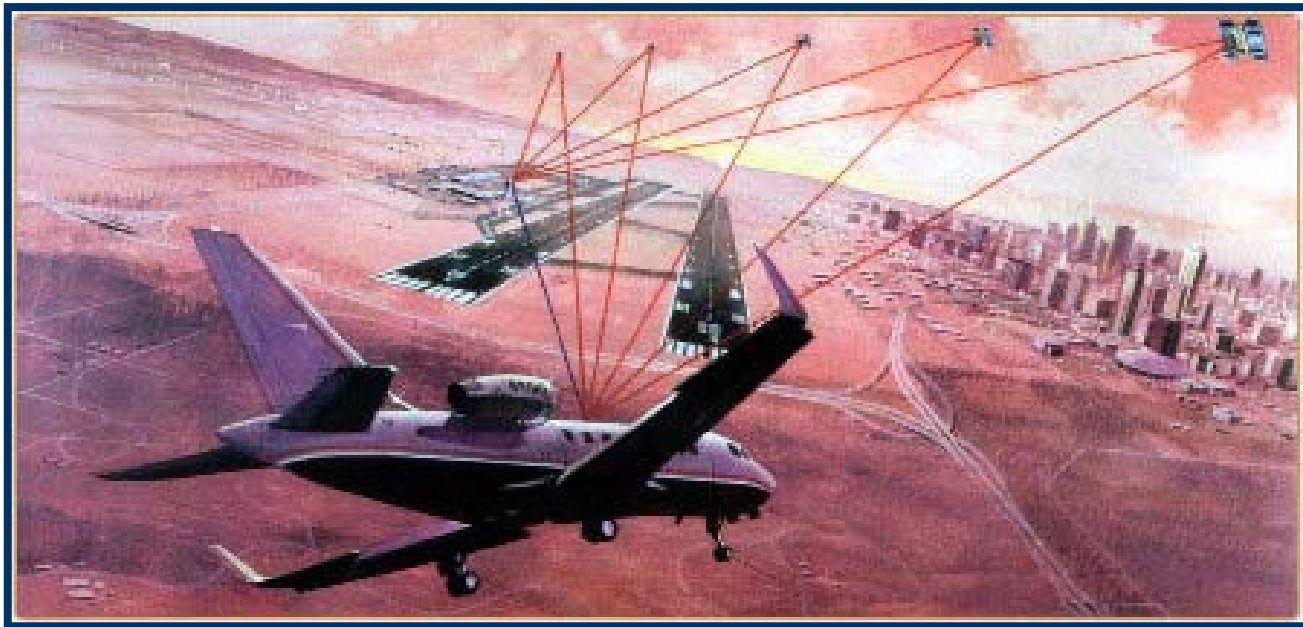


Federal Aviation
Administration



Our Mission

- Provide leadership in the planning, development, and oversight of a safe and efficient airport system.



Our Key Functions

- Part 139 Certification
- Planning Support
- Environmental Processing
- Financial Assistance
- Standards
- Compliance Oversight



Our Goals

- **FAA 2005-2009 Flight Plan**
(www.faa.gov)



- **Airports 2005 Business Plan**
(www.faa.gov)



- **Airports Division, Southwest Region
2005 Performance Plan**
(www.faa.gov/arp/asw)



How it All Ties Together



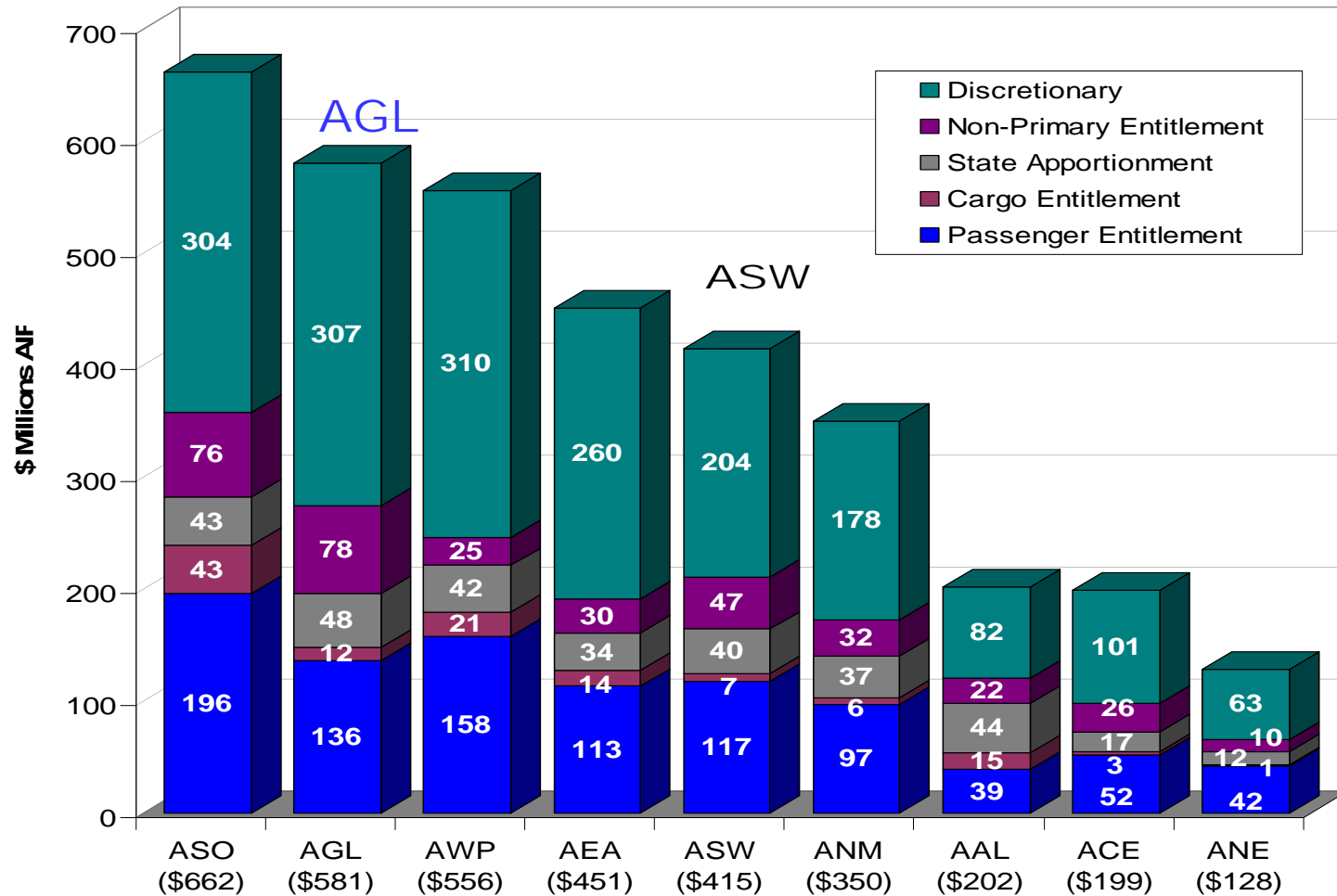
AIP Legislation

- **Vision 100 – Century of Aviation Reauthorization Act**
- **Funding Levels and Duration:**
 - \$3.4 Billion = FY 2004
 - \$3.5 Billion = FY 2005
 - \$3.6 Billion = FY 2006
 - \$3.7 Billion = FY 2007

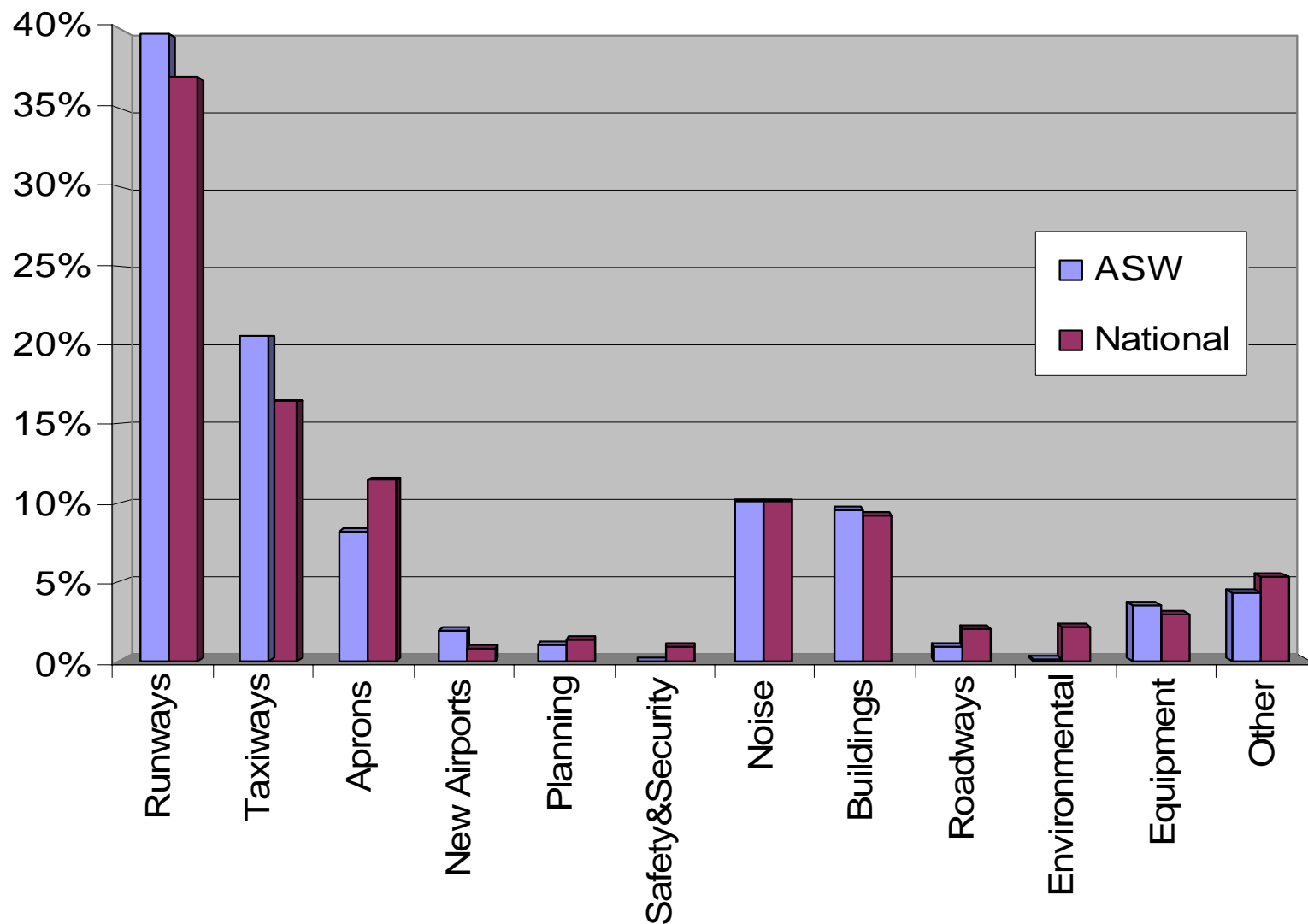


National Fiscal Year 2005 AIP

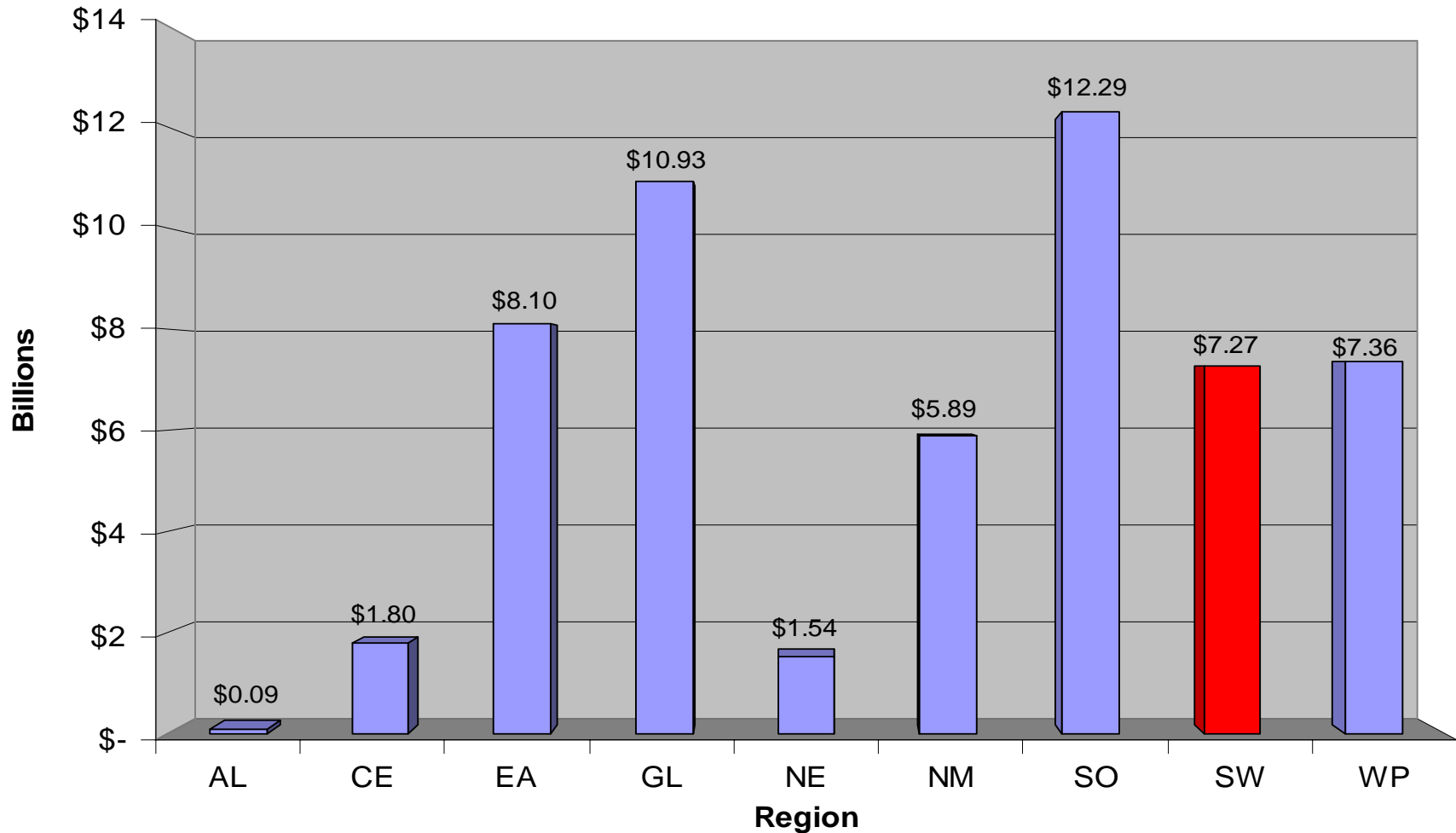
\$3.5 Billion Total



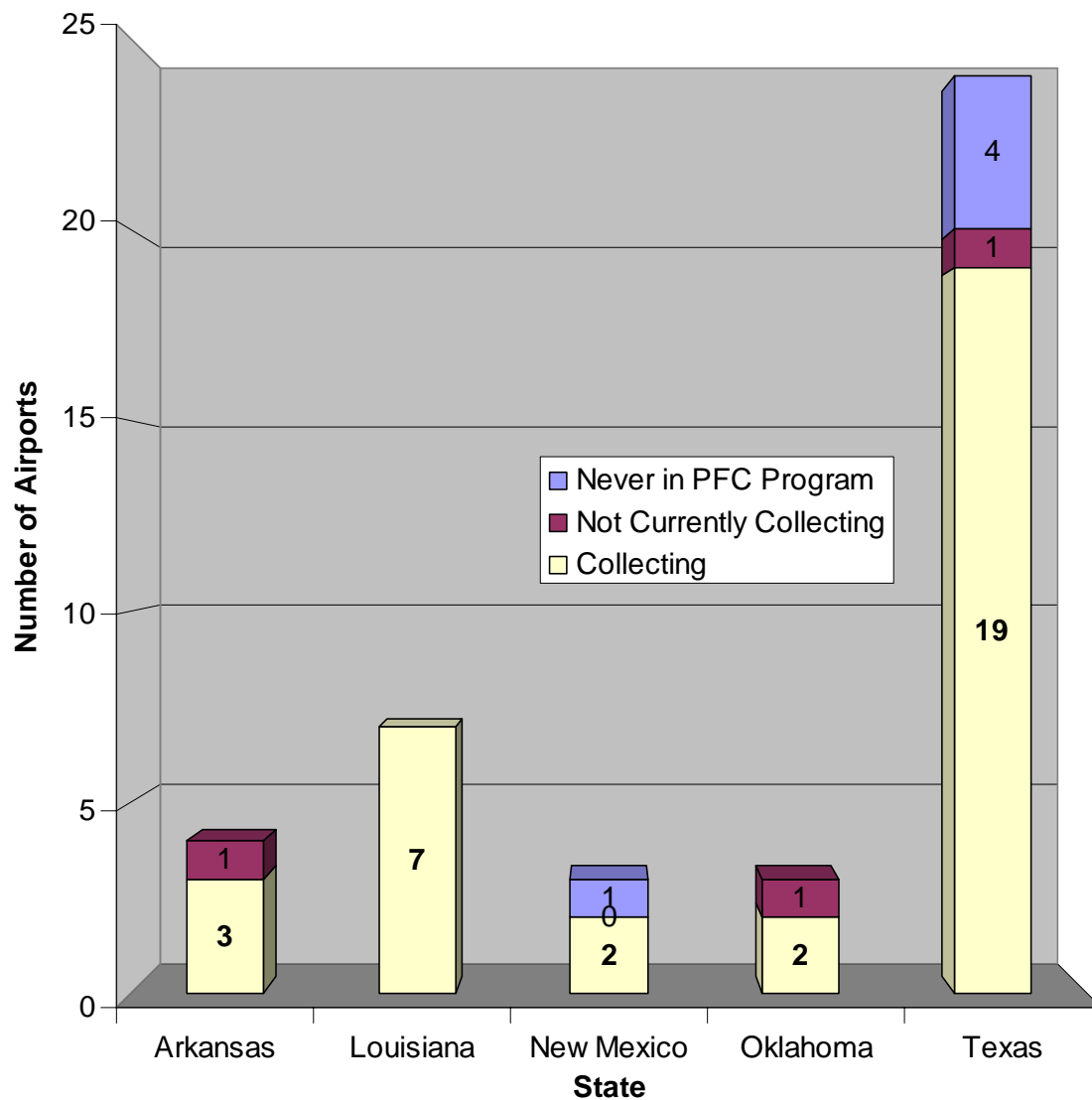
FY-2005 AIP Investment Distribution



PFC Approved Collection Authority (1991 – March 2005)

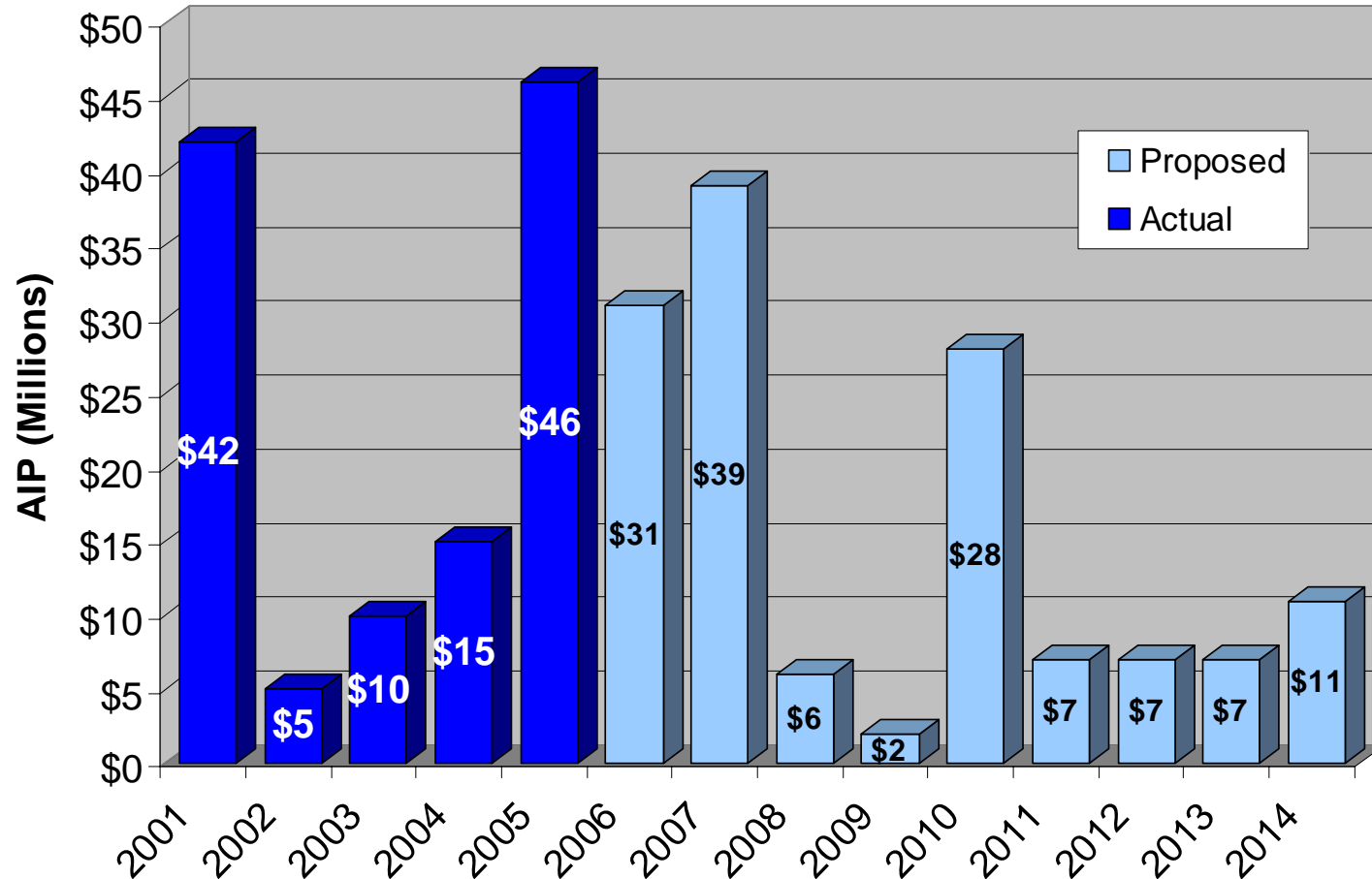


PFC Primary Airports Collection Status

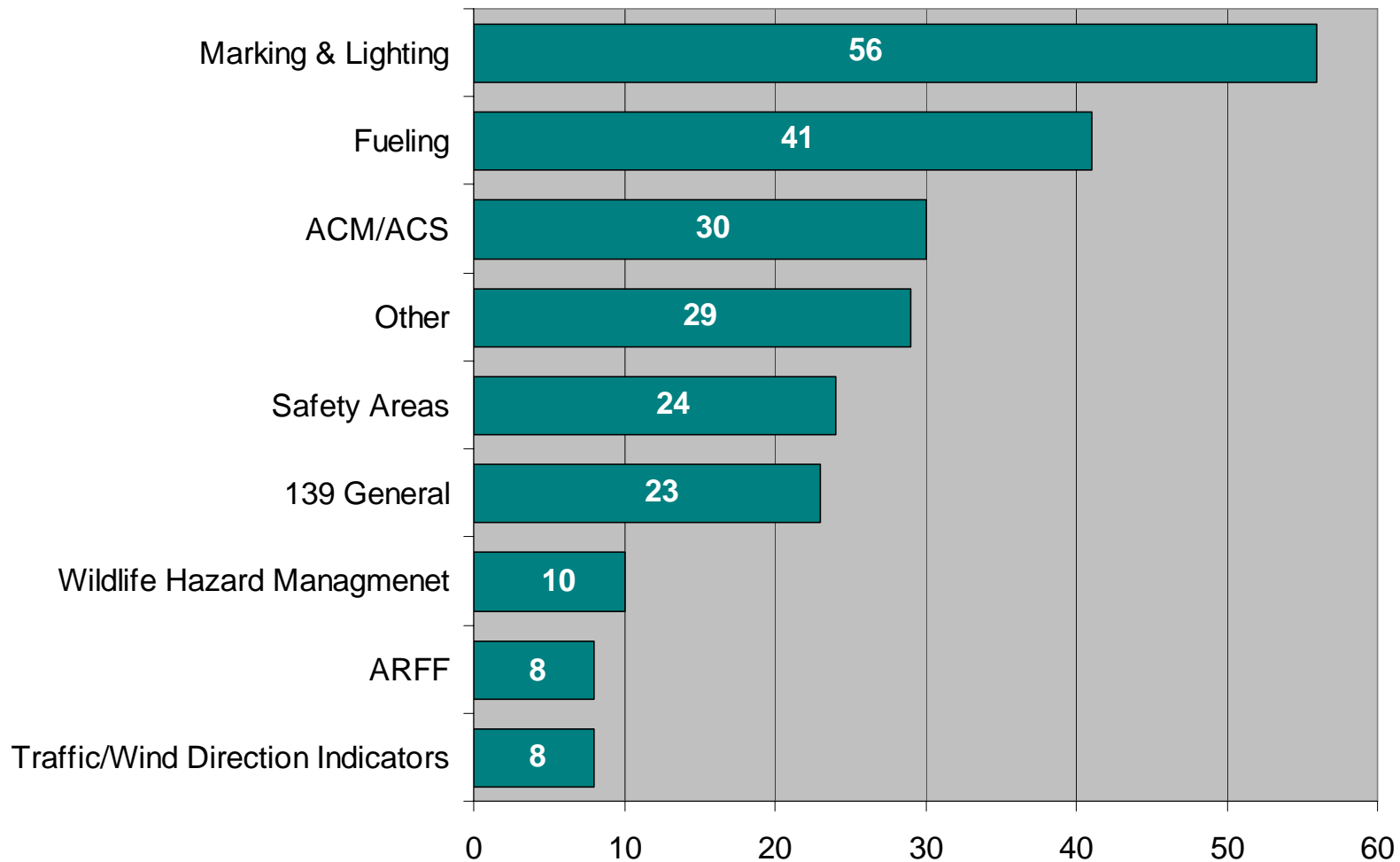


RSA Funding Status (Potential \$256 Million in AIP)

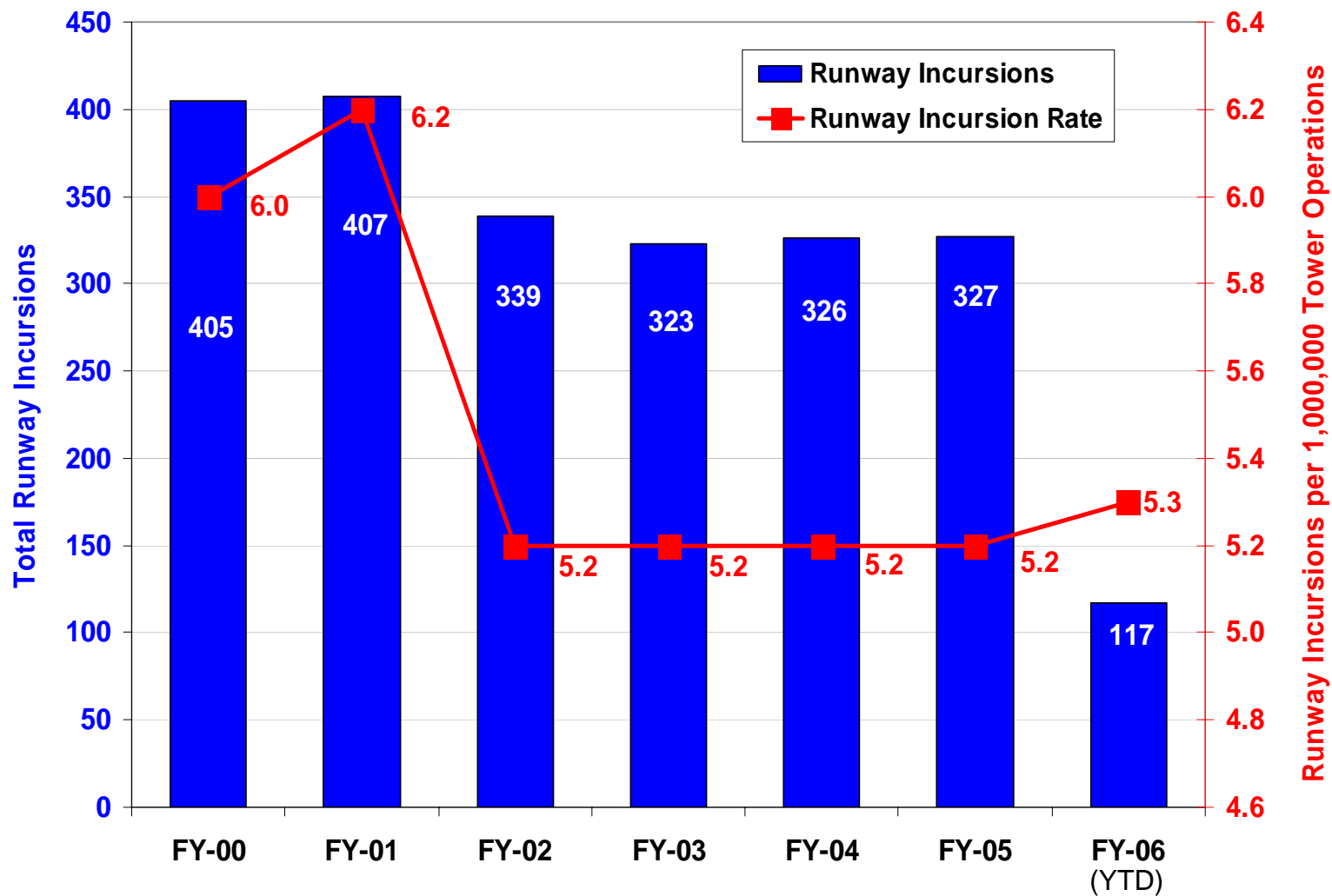
Actual (\$118 Million) and Future (\$138 Million) AIP Funding



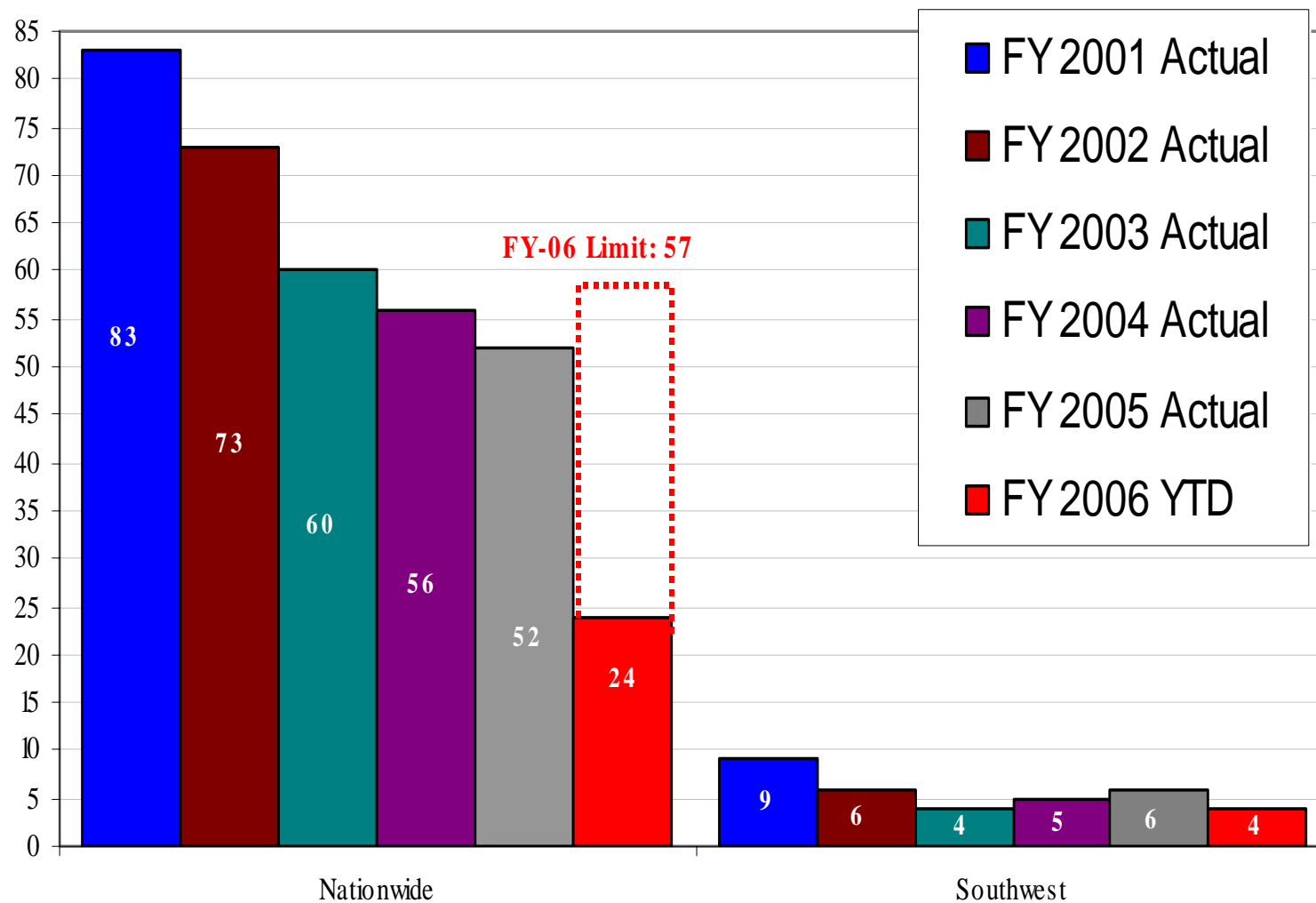
AGL FY-05 CFR Part 139 Discrepancies



Runway Incursion Trends



FY 2006 V/PD Performance



Increased Emphasis – Customer Service



FY 2006 AIP Status



- The Entitlement funds and first wave of Discretionary have been allocated to the regions.
- The ADOs are busy working with you to insure grants are awarded based on bids.
- Grant season is definitely underway!



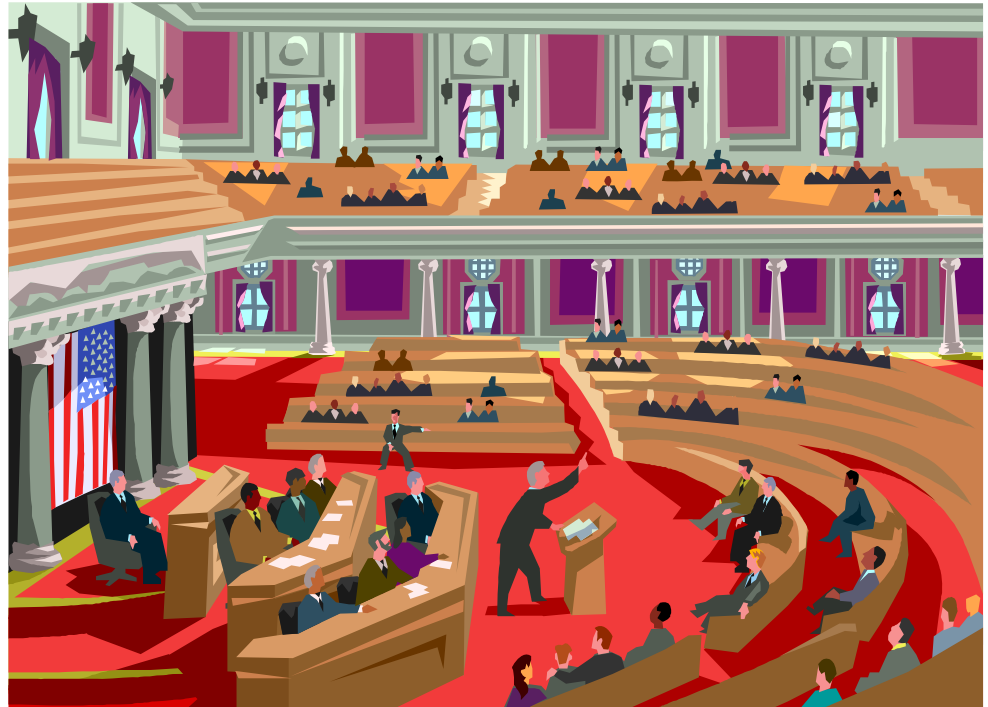
FY 2007 AIP Outlook

- President's Budget Request is for \$2.75 billion.
- Reasons and Rationale.
- “We are confident that we will reach all high priority safety, capacity, security and environmental projects.”



FY 2007: Impacts of a \$2.75 billion AIP

- By law, if the appropriation is below \$3.2 billion:
 - Nonprimary entitlements are eliminated (but State apportionment would increase)
 - Passenger entitlements return to original levels (smaller commercial airports entitlements halved)



FY 2007: Impacts of a \$2.75 billion AIP



- Non-primary entitlements are eliminated, but:
 - Received \$900,000 (\$150K x 6yrs)
 - Building fuel farms and hangars
- Dramatic Increase in Carryover:
 - Nationwide 52% of total is from GA entitlements
 - GA airports carried over 60% of their funds



Trends in the NPIAS and ACIP



- NPIAS down 15% last report – 2005
 - \$46 billion to \$39.5 billion
- Current capital trend shows modest growth
 - 3% or 1 billion over the next 5 years
 - Notable increase in planning (\$177M - \$271M)



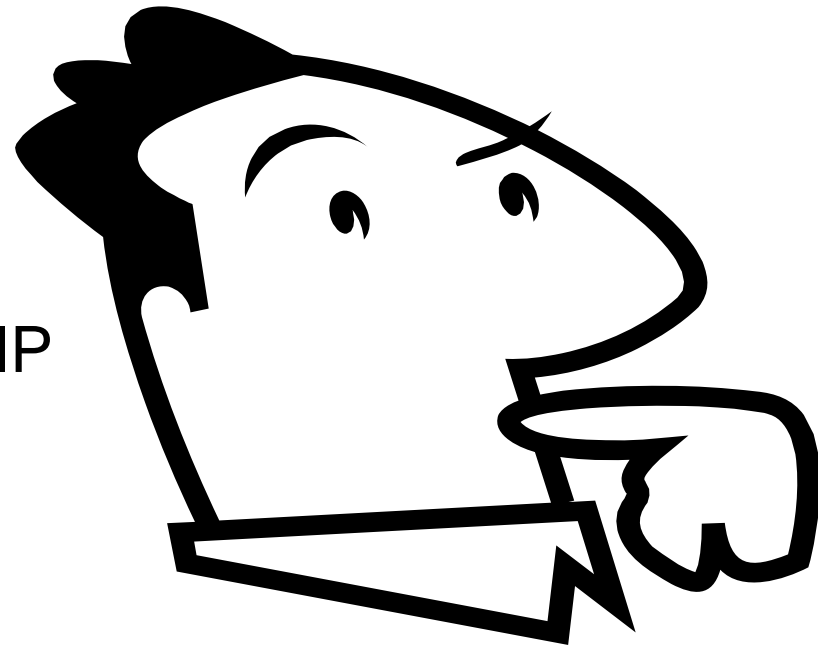
FAA Reauthorization Goals

- Clearer link between our revenue stream and cost of providing services
- Takes into account the user's ability to pay
- Looks at a hybrid funding system that is:
 - Made up of user fees and taxes
 - Gives us an ability to leverage our dollars
 - Includes a contribution from the General Fund
- Bottom line – Need a reliable, rational, stable source of funds to meet future requirements.

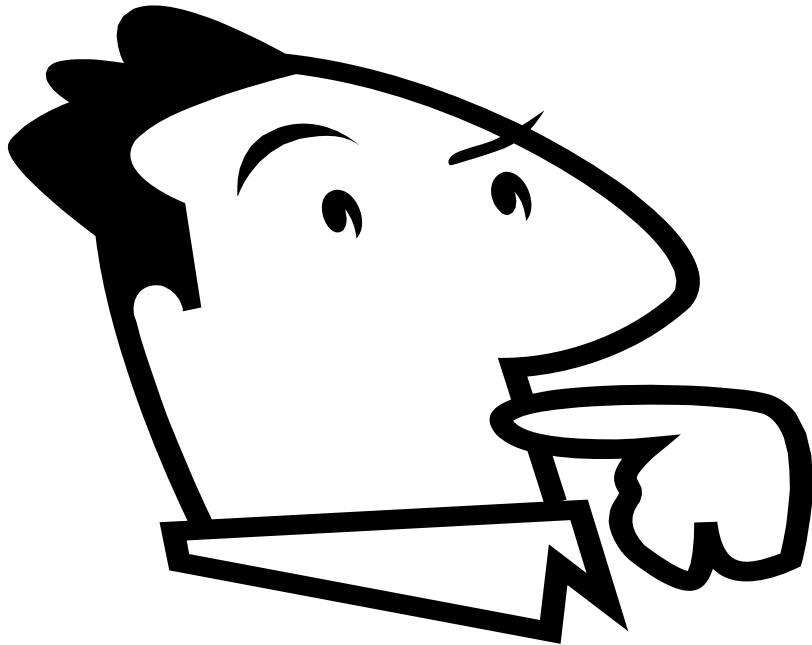


Reauthorization Questions to Ponder

- How is AIP going to be financed?
- Who Pays
- How much are they willing to pay and for what?
- The answers help define the AIP level-
 - AIP formulas
 - Eligibility definitions



Reauthorization Questions to Ponder

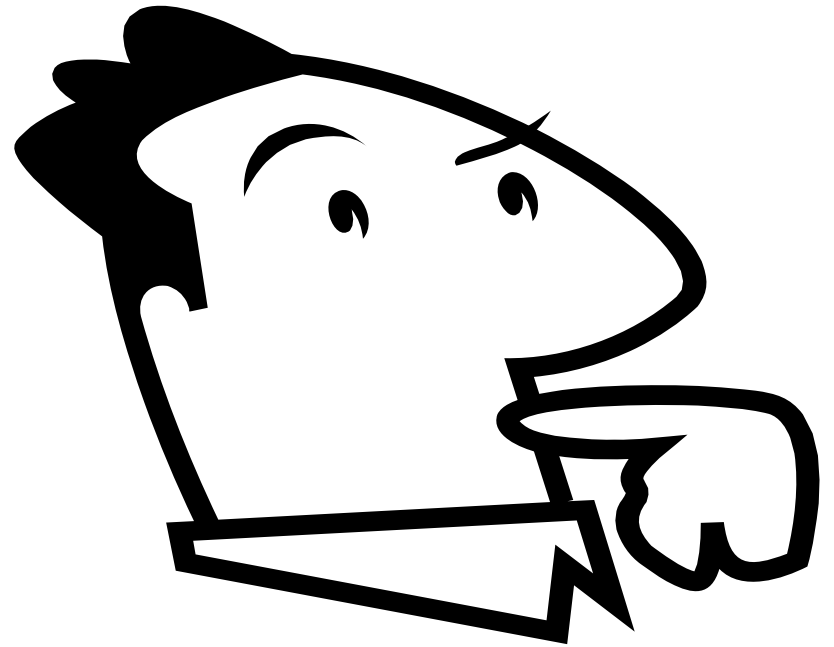


- Can we afford or do we still need the 9/11 subsidies?
- The 95% federal share for small airports?
- Do all the existing set-asides make sense?
 - MAP Program at 4%?
 - Noise Program?



Reauthorization Questions to Ponder

- What to do about PFCs?
 - Should they be increased?
 - If increased, what about the amount of turnbacks?
 - Should Eligibility be expanded?
 - Should we continue with federal oversight?
 - What role should the airlines have in projects for larger PFCs?



Thank you!

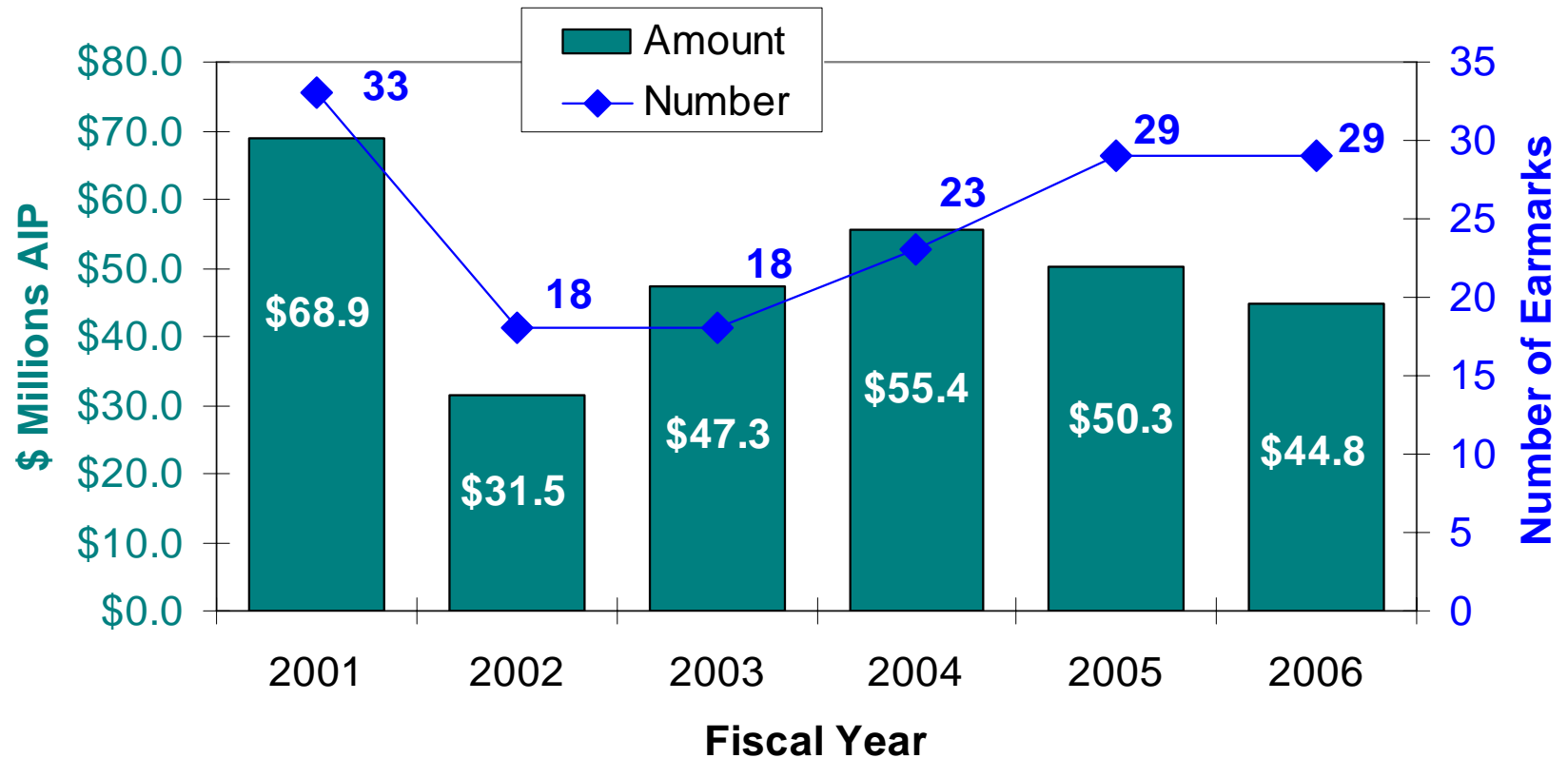
Questions?



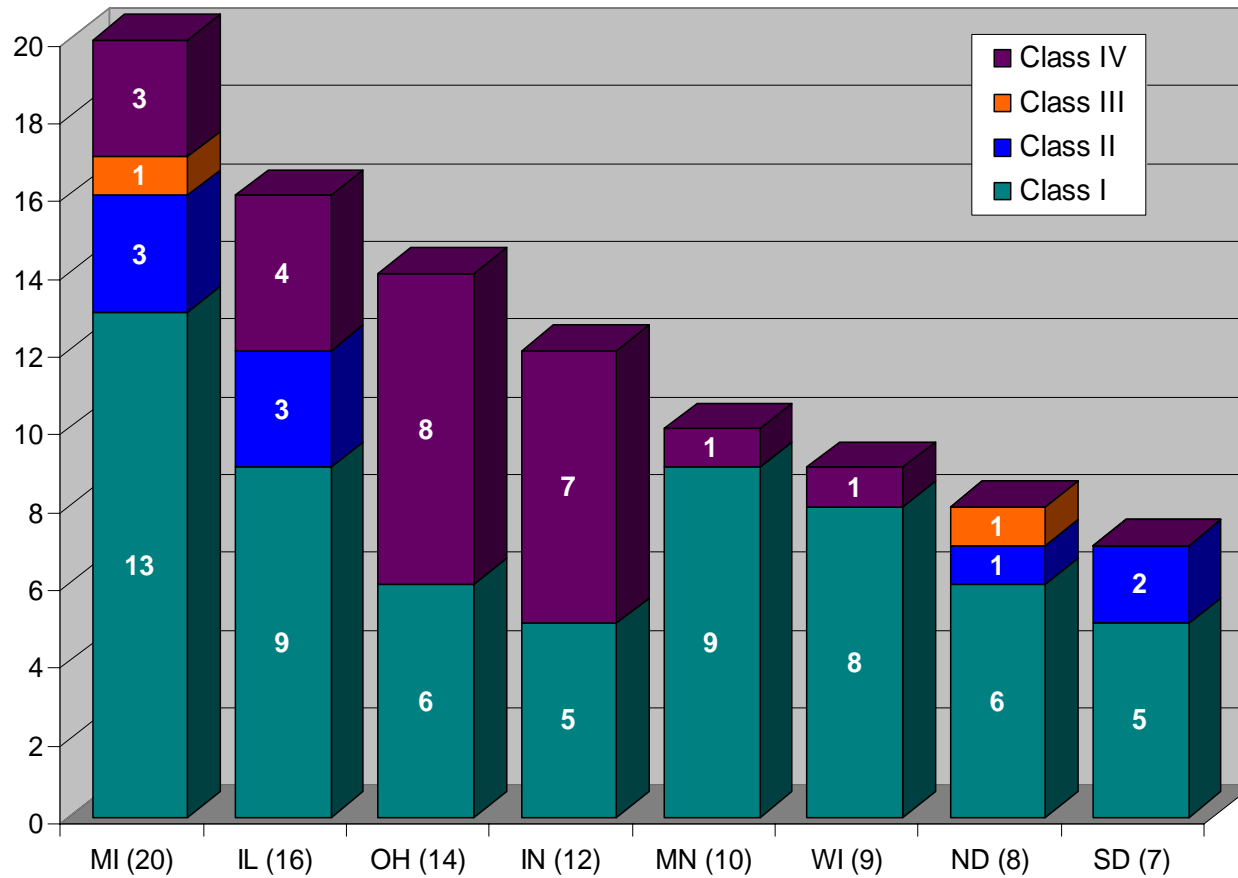
**Federal Aviation
Administration**



AIP Congressional Earmarks



Certificated Airports in Great Lakes (96 Airports)



Runway Safety Area Status – Physical Completions

